Committee on Resources

Full Committee

Testimony

Testimony of Grover G. Norquist,
President, Americans for Tax Reform
before the Committee on Resources
the Conservation and Reinvestment Act (H.R. 701)
and the Resources 2000 Act (H.R. 798)
9 March, 1999, 11:00 a.m.
1324 Longworth House Office Building

Chairman Young, other members of this committee, and ladies and gentlemen, thank you for the opportunity to address you this morning about the Conservation and Reinvestment Act (H.R. 701) and the Resources 2000 Act (H.R. 798).

My name is Grover Norquist, and I am president of Americans for Tax Reform, an organization of over 90,000 individuals, taxpayer advocacy groups, corporations and associations that are deeply concerned with the high levels of taxation and government spending. I come before you today to oppose attempts of the federal government to purchase more private land.

Federal royalties from onshore oil and gas production on federal land are split with the States where the leases are. Federal royalties from Outer Continental Shelf (OCS) leases, are not shared with the States. The Conservation and Reinvestment Act is an attempt to build enough political support to send some of the OCS revenues to the States adjacent to offshore production, by spreading the funds across many other states The real solution would be to send a portion of OCS revenues only to the six OCS States' general treasuries, just like onshore royalties.

Title I of the legislation gains support from 34 Coastal Sates by divvying up 27% of OCS revenues according to several formulae. The Great Lake States are defined as Coastal states, even though there is no oil production in the region, simply because those states provide a lot of votes in Congress. The six states with OCS production will get more money than other States. Louisiana will get the most followed by Texas, Alaska and Florida.

Title II of this legislation gains support from environmentalists by turning the Land and Water Conservation Fund of 1965 into a trust fund, not subject to further Congressional appropriation. This removes accountability and is a big concern of taxpayers. The trust fund would be generated by 23% of OCS revenues up to the authorized Land and Water Conservation Fund level of $900 million per year and would be used exclusively to purchase private land.

In fact all three titles create trust funds. Title III siphons off 10% of OCS revenues for the Pittman-Robertson Fund, which would provide funds to all states.

There are good policy and budgetary reasons to oppose trust funds. They tie Congress' hands far into the future when spending priorities may shift drastically. Budgeting should be done so that all proposals must compete for limited funds. After all, it is the taxpayers money, not the government's. Either these proposed trust funds should be offset by reducing the Interior and Related Agencies appropriation by an equal amount, or the budget cap for Interior must be lifted by over $2 billion. Neither of these options are palatable.

Lastly, turning over $900 million per year to the Land and Water Conservation Fund would be a massive increase in the purchase of private lands. The federal government already owns too much land as it is. Four federal agencies control about 29% of the total acreage in the U.S. Other federal agencies own a little more. No one has conducted a full study of how much land state and local governments own, but it's probably around ten percent. This is too much. According to the federal land agencies themselves, they have a backlog of over $12 billion in operations and maintenance on these federally held lands. But instead of addressing this problem, this bill would spend record amounts of money on buying more land and giving it to State fish and wildlife agencies, instead of taking care of the land that the government already owns.

This bill would triple land acquisition. Historically, annual appropriations for LWCF have been around $300 million, but most of that has always been for federal, not state, acquisitions. H.R. 701 increases land acquisition spending to $756 million, $378 million each for state and federal land acquisition. Part of the rapid increase in spending is due to the Urban Parks and Recreation Recovery Program, which will get $144 million annually of the $900 million total. This money may be used by the States and local to purchase additional land as well.

Buying all of this land will hurt rural communities and local property tax bases. This is important because in almost all jurisdictions, local property taxes are the primary funding source for important services such as schools, police protection and fire departments. Also, once all of this land is bought, taxpayers will have to take care of it. This will add to overall federal spending and increase the $12 billion in existing backlog in maintenance and operations of land the federal government already controls.

As many on the Committee know Americans for Tax Reform asks congressional members and challengers to take the Taxpayer's Protection Pledge each year. Another of ATR's major projects is to calculate a Cost of Government Day as a follow-up to Tax Freedom Day. Cost of government takes into account all the costs of government such as regulation, not just taxation. This legislation would significantly add to Cost of Government Day.

Finally, I would like to close by saying that taking tax money to increase government at all levels (state, local and federal) and decreasing private property ownership is not consistent with the philosophy of greater freedom through limited government, and therefore should not be a part of the 106th Congress's agenda.

Mr. Chairman, thank you for allowing me to address your Committee. I would be happy to address any questions that you might have.

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